

Saudi Arabian Tanker Case May Be Sent to Arbitration

The Saudi Arabian government announced yesterday that its dispute with the Arabian American Oil Co. over the tanker agreement between the government and Aristotle Socrates Onassis will be submitted to arbitration if a "mutually satisfactory" settlement is not reached by Jan. 15.

Aramco has disputed the tanker agreement as a violation of its concession with the Saudi Arabian government signed in 1933. The tanker agreement, signed last Jan. 20, would give Onassis tankers preference in transporting Saudi petroleum.

Fred A. Davies, chairman of the Aramco board, confirmed the arbitration arrangement after it was announced by Mohammed Surur El Sabban, Minister of Finance and National Economy in the Saudi Arabian government.

Mr. Davies said that "we in-

tend to seek a solution that will be satisfactory both to the Saudi Arabian government and to ourselves, but if that fails we will turn to the arbitration method as a means of reconciling the difference."

On Sunday the Saudi government announced it would stand by the tanker agreement despite pressure from seven governments and from independent tanker operators to cancel it as a form of discrimination that could spread to other oil-producing nations. There also have been accusations that Mr. Onassis obtained the agreement as a result of bribing Saudi officials. Mr. Onassis has vigorously denied the charges.

Under arbitration Aramco and the Saudi government would each select one arbitrator. A referee would be selected by mutual agreement of the two.

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